



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL



Distr.
LIMITED

E/ECA/PSD.4/8
3 March 1986

Original: ENGLISH/FRENCH

ECONOMIC COMMISSION FOR AFRICA

Fourth Session of the Joint Conference
of African Planners, Statisticians
Demographers

Addis Ababa, Ethiopia, 3-12 March 1986

LC/NAIROBI

SECTORAL PLANNING IN SUBREGIONAL ARRANGEMENTS

TABLE OF CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 9	1-4
A. Background and objectives of the study	1 - 4	1-2
B. General overview of subregional co-operation structures	5 - 9	2-4
(a) Origin and operating mechanisms	5	2-3
(b) Objectives and areas of action.....	6 - 7	3
(c) Means of action	8 - 9	3-4
II. AGRICULTURAL PLANNING AT THE SUBREGIONAL LEVEL	10 - 45	5-13
A. Overview of agricultural objectives	10 - 16	5-6
B. Approaches adopted in planning in the agricultural sector at the subregional levels	17 - 31	6-9
(a) Agricultural planning in ECOWAS	18 - 19	6-7
(b) Agricultural planning in CEAO	20 - 22	7
(c) Agricultural planning in UDEAC	23 - 25	8
(d) Agricultural planning in SADCC	26 - 27	8
(e) Agricultural planning in the PTA	28 - 31	9
C. Major constraints to proper agricultural planning at the subregional level	32 - 42	9-13
(a) Constraints to sectoral planning resulting from the nature of the agricultural sector in Africa	33 - 38	10-11
(b) Constraints to subregional agricultural planning resulting from the nature of the subregional organizations ...	39 - 42	11-13
D. Towards a new planning base at the subregional level: the case of agricultural planning	43 - 45	13
III. INDUSTRIAL PLANNING IN AFRICAN SUBREGIONAL COOPERATION STRUCTURES	46 - 76	14-24
A. Introduction	46 - 48	14
B. Specific industrial development objectives of the subregional co-operation structures	49 - 55	15-16
(a) ECOWAS	50	15
(b) CEAO	51	15
(c) UDEAC	52 - 53	15-16
(d) SADCC	54 - 55	16

TABLE OF CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
III. INDUSTRIAL PLANNING IN AFRICAN SUBREGIONAL COOPERATION STRUCTURES (CONT'D)	46 - 76	14-23
C. Overview of the status of industrial develop- ment and the main constraints	56 - 59	17-19
1. The status of industrial development ..	56	17
2. The main constraints	57 - 59	17-19
D. Need for industrial planning and action taken to achieve it	60 - 75	19-23
1. Need for industrial planning	60	19
2. Action taken and results achieved	61 - 75	19-23
(a) ECOWAS	64 - 68	20-21
(b) CEAO	69 - 71	21-22
(c) UDEAC	72 - 74	22-23
(d) PTA	75	23
E. Conclusion on sectoral planning in the field of industry	76	23-24
IV. GENERAL CONCLUSION OF THE STUDY	77 - 79	24
V. RECOMMENDATIONS	80 - 96	25-27
A. General recommendations	80 - 86	25
B. Recommendations on agricultural planning ...	87 - 88	26
C. Recommendations on industrial planning	89 - 96	26-27

I. INTRODUCTION

A. Background and objectives of the study

1. At its third session held in 1969, the Joint Conference of African Planners, statisticians and demographers requested the secretariat to prepare a study on sectoral planning within the subregional co-operation structures in Africa. The objective of the study was to see to what extent the efforts made by the subregional co-operation organizations have resulted in the institution of sectoral planning as an instrument for co-ordination, harmonization and economic integration, and to evaluate the results achieved in the area of co-operation and subregional planning. The underlying concern is to identify the main problems and obstacles encountered as well as to seek ways and means of strengthening such co-operation in line with the Lagos Plan of Action and Final Act of Lagos.

2. As the first part of a series which will cover all sectors of the economy, this study focusses on planning in the agricultural and industrial sectors of three subregions in Africa - west, central and southern Africa. The two sectors were selected because of their importance in the economy and the role they play or will be called upon to play in developing the economies of the countries. Agriculture, in fact, accounts for 40 to 60 per cent of GDP in most of the countries covered by the organizations concerned. Nearly 80 per cent of the population derive their livelihood and most of their income from agriculture. The sector is important also because it provides the bulk of raw materials for industry and is the source of most of the countries' export earnings. Over the last decade, and at a time when Africa is facing rapid population growth and urbanization, the food and agriculture situation has seriously deteriorated mainly because of recurrent drought and the retention of outdated production systems. Food production and consumption have fallen short of nutritional needs. The crisis has compelled Governments to place the emphasis in their development plans on growth in the rural sector in order to attain the objective of food self-sufficiency set forth in the Lagos Plan of Action.

3. Although the share of the industrial sector remains relatively small in the economy of most of the countries (from 7.5 to 25 per cent of GDP), this sector is called upon to play a fundamental role in the development of African countries, in the light of their enormous natural resources. Industrialization is also one way of making the countries less dependent on the outside world for the supply of capital and intermediate goods which are currently imported. What is more, this sector can speed up the development of agriculture by providing the needed inputs and equipment.

4. All these reasons go to justify the selection of these two sectors as priority areas of the present study. They also justify the particular attention given to the planning, co-ordination and harmonization of development strategies and policies in the two sectors within the framework of subregional organizations. The main subregional co-operation organizations selected in the study are the Economic Community of West African States (ECOWAS), the West African Economic Community (CEAO), the Central African Customs and Economic Union (UDEAC), the

Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern African States (PEA). These organizations are currently the main co-operation and economic integration institutions operating at the subregional level.

1. General overview of subregional co-operation structures

(a) Origin and operating mechanisms

5. The establishment of these organizations responds to the need to pool the resources and means of member States in order to facilitate their economic development, the common efforts made at the national level having failed to bring about the economic and social development desired. The organizations were established at different points in time:

- (i) UDEAC, the oldest, was set up in December 1964 by the Brazzaville Treaty which established a customs and economic union among Cameroon, the Congo, the Central African Republic, Gabon and Chad. Subsequently, the Brazzaville Treaty was revised in December 1974 and extended to cover Equatorial Guinea. The main institutions of UDEAC are the Council of Heads of State, the Management Committee, the Conference of Ministers for livestock development and the secretariat. The secretariat is the executive organ of the Union and is composed of two divisions, the first is composed of the departments of customs, taxation and statistics while the second covers the departments of industrial co-operation, scientific research, rural economy, transport, telecommunications and tourism.
- (ii) CEAO was established in 1970. Its membership comprises Burkina Faso, Cote d'Ivoire, Mali, Mauritania, Niger and Senegal. The organization's operations are based on the Conference of Heads of State, the Council of Ministers and the secretariat which implements decisions taken by the Conference of Heads of State and the Council of Ministers. The secretariat is made up of four substantive divisions: administrative and financial affairs, trade, rural development and industrial development;
- (iii) ECOWAS was established in 1975 and counts Benin, Burkina Faso, Cape Verde, the Gambia, Ghana, Guinea, Guinea-Bissau, Cote d'Ivoire, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo as members. The main institutions of ECOWAS are: the Conference of Heads of State, the Council of Ministers and four substantive commissions specializing in the following areas (i) trade, customs, immigration, currency and payments; (ii) industry, agriculture and natural resources; (iii) transport, telecommunications and energy; (iv) social and cultural affairs;

- (iv) SADC was set up in 1980 and covers Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The main institutions are the Summit of Heads of State, a Council of Ministers, the Steering Committee, the secretariat and the sectoral commissions. To date, only the transport and communications commission exists; the others are to be established later;
- (v) The Preferential Trade Area for Eastern and Southern African States was created in 1981 and covers the 18 countries in the zone. Its structure is similar to that of the other organizations.

(b) Objectives and areas of action

6. Each of these organizations has set itself the same general objectives, namely:

- (i) To promote and encourage the harmonious and balanced development of all economic activities conducted by member States, particularly in agriculture, industry, transport and animal husbandry, with a view to raising the living standards of the people;
- (ii) To maintain economic stability and contribute to the development of the African continent;
- (iii) To achieve the economic integration of their subregions by strengthening co-operation among member States and by creating free trade areas that will lead to a genuine common market.

7. To these general objectives set forth in the founding documents of these organizations is added the desire to co-ordinate and harmonize national policies more effectively with a view to defining common development strategies.

(c) Means of action

8. The means whereby these organizations operate come from:

- (i) Their budget of contributions paid in by member States. Such budgetary resources are devoted exclusively to their operation;
- (ii) Financial institutions set up within the framework of these subregional organizations such as the Fund for Co-operation, Compensation and Development of ECOWAS, the community development fund and the solidarity and guarantee fund of CEAQ, the solidarity fund of UDEAC and the development bank for central African States. All have the objective of

promoting the development of the least developed member countries. Other subregional, financial institutions such as central banks responsible for monetary and credit policy can also be found;

- (iii) External bilateral and multilateral assistance. Such resources tend to be used more as a complement to the operational budgetary resources than for financing development activities at subregional level. External assistance also involves a substantial component of technical assistance to strengthen the expertise of these subregional structures.

9. The study first analyses, for the reasons earlier mentioned, the situation with regard to planning in agriculture and industry. It formulates recommendations for the speedy institution of genuine sectoral planning at the subregional level.

II. AGRICULTURAL PLANNING AT THE SUBREGIONAL LEVEL

A. Overview of agricultural objectives

10. Agriculture is a very important sector in most of the African economies and, as a result, it has often received a lot of attention at the national level especially in the different national plans. This trend seems to be maintained at the subregional level where a lot of reference is made to the development of agriculture in the different treaties of subregional cooperation arrangements. Thus all the subregional groupings that are covered in this study have explicit proposals and articles covering the agricultural sector. However, there are differences in the general areas that are covered and the approaches that are envisaged in the different subgroupings. It is therefore pertinent to examine the overall objectives of cooperation in agriculture in the studied cooperation structures.

11. In ECOWAS, co-operation in agricultural development is outlined in articles 34, 35 and 33 of Chapter VI of the Treaty. The thrust of this cooperation in agriculture in this subgroupings is on (a) consultations in agricultural policies through regular exchange of information on experiences, research and rural development programmes and (b) establishment of a common agricultural policy covering all the basic areas of research, training, production and processing of agricultural products etc.

12. In the CEAO, agricultural cooperation activities are spelled out in protocols A, D and E of the treaty. These relate mainly to the common promotion of the development of agriculture, livestock, fisheries, water and forestry. The CEAO Treaty is also one of the very few subregional agreements that spell out the aspect of sectoral planning. In respect of agriculture, the treaty explicitly requests the secretariat of the organisation to study and propose an overall plan for (a) the production of and trade in agricultural products (b) production of and trade in livestock and related products (c) the promotion of water and forest development (d) the development of continental and sea fishing.

13. In the UDEAC, cooperation in the field of agriculture has only recently been incorporated in the new treaties of 1970 and 1974. The main elements of agricultural cooperation in the UDEAC structure include (a) co-ordination of agricultural production, processing and trade programmes, (b) agricultural research, (c) training and (d) the realisation of common agricultural projects. Although the 1974-treaty specifies structures to deal with agricultural cooperation there is no explicit treatment of planning the sector at the subregional level.

14. The areas in and approaches to agricultural co-operation in the PTA are given in Article 25 of Chapter 5 and in the protocol on co-operation in the field of agricultural development. The specific fields of agriculture in which the PTA member States include (a) overall agricultural development especially through research, coordination of the export of agricultural commodities, land and water resources, marketing and price stabilisation etc., (b) supply of staple foods and (c) agro-industries. Like most of the other subregional groupings, the treaty and its protocol do not make any explicit reference to the planning of the agricultural sector at the subregional level.

15. The basis of operations in the SADCC is the Plan of Action adopted by the SADCC member States in 1980. Since this Plan of Action is sectoral in nature, there are generally well defined areas in agricultural co-operation in the subregion. The main areas defined include (a) food security, (b) agricultural research and personnel training, (c) animal disease control, (d) fisheries, wildlife and forestry and, (e) soil and water conservation and land utilisation. It must, however, be emphasized that neither the Plan of Action nor the subsequent co-ordination efforts define the role of planning of the agriculture sector as a whole. Indeed, the highly decentralised approach of SADCC would seem to make an integrated sectoral planning approach relatively difficult since the different priority areas are co-ordinated independently of each other and each one is co-ordinated by a different country.

16. An overall analysis of the protocols and articles relating to cooperation in agriculture shows that while the sectoral objectives are often well articulated the ways and means of achieving the required results are often neglected. In this respect the most neglected part is the planning and rationalisation of the agricultural sector as a whole. Two explanations for this situation are possible. Firstly, the treaties might have made an implicit assumption that the aspect of planning for the sector of agriculture at the subregional level would be automatically undertaken by the secretariat or sectoral commissions of the subgrouping. Secondly, it is possible that most countries at the time of the creation of the subregional structures, felt that the planning of an important sector like agriculture had to be at the national level. This tended to the subregional level with only the role of co-ordination mainly industrial projects and programmes.

B. Approaches adopted in planning in the agricultural sector at the subregional levels

17. In spite of the fact that the various treaties establishing the different subregional co-operation arrangements did not lay particular or specific emphasis on the planning at the subregional level of the different sectors in which cooperation was desired and envisaged, certain approaches have been attempted at different levels to ensure a more coherent sectoral approach. These approaches differ both in scope and content from one subregion to another depending on various factors such as the institutional structures involved in the elaboration and adoption of sectoral programmes, the resources available and the overall approach to cooperation in a given subregion. The main features of the various approaches for the five subregions studied are briefly outlined below.

(a) Agricultural planning in ECOWAS

18. As noted earlier the ECOWAS treaty did not give adequate attention to the aspect of planning at the subregional level. As such, there does not exist any specific structure for the planning of overall development in ECOWAS at a subregional level. Indeed, there is hardly any coherent sectoral planning of the key sectors like agriculture or industry even at level of the sectoral commissions that were established during the implementation of the ECOWAS treaty.

19. The general approach that has thus far been followed is that of undertaking a variety of studies with a subregional perspective. These studies have included those on trade and customs, monetary and fiscal issues, and sectoral assessments of developments in agriculture, industry and transport. Recently common agricultural policies were promulgated with a view to combatting famine, and achieving food self-sufficiency by the year 2000 as well as to arrest desertification in the subregion. While this recent laudable effort is in the right direction of sectoral planning at the subregional level, it cannot be called subregional sectoral planning as such. This is mainly because the common agricultural policy does not have a well articulated, modus-operandi, in time and over countries to qualify as an integrated agricultural plan at the subregional level. More often than not, the common agricultural policy is limited to the definition of objectives and general strategy and hinges mainly on the definition of criteria for the selection of projects. It would be desirable to have the strategy buttressed by mechanisms of cooperation that take into account comparative advantages, possibilities of product specialisation etc.

(1) Agricultural planning in CEAO

20. Although CEAO does not have a fully developed general and sectoral planning structures the organisation has endeavoured to respond to the needs of the member States through taking appropriate action to (a) respond to the urgent needs of individual countries including the support of agricultural projects that exist in national plans and (b) deal with subregional issues involving institutions etc. Further the CEAO has undertaken important agricultural programmes albeit without a long-term subregional perspective of the sector as a whole.

21. The importance of planning the agricultural sector at the subregional level in terms of setting objectives, priorities, approaches and identifying means to achieve the goals became very clear in the CEAO subregion in the early 1980s. The serious economic problems and the drought that afflicted the subregion have shown that piecemeal approaches by individual countries are not likely to bring about the needed subregional recovery. Thus in 1982, the member States adopted resolution 2/82/CE relating to the need to a subregional approach to rural development.

22. As a result of this resolution, the CEAO has started on the definition of a subregional common agricultural policy. Already, a study aiming at identifying the major elements of such a subregional agricultural approach has been undertaken by a consultant firm. However, the study which would have constituted a basis for a sectoral planning approach was found to contain many gaps and was not adopted by member States. It, therefore, still remains critical for the CEAO to evolve an agricultural plan at the subregional level to deal effectively and coherently with urgent issues like drought and desertification, food security and self-sufficiency, etc.

(c) Agricultural planning in the UDEAC

23. Until only recently the activities undertaken by UDEAC in agriculture involved mainly studies. A general study was made about agriculture including the specification of areas of cooperation and a study on the fertiliser industry was completed with the assistance of UNIDO. Another study was made on agricultural financing together with an exploration of the possibilities of creating a common agricultural credit bank.

24. To complement these efforts and to harmonize agricultural development in the UDEAC subgrouping an elaboration of a food strategy has been embarked upon by the UDEAC secretariat. In this exercise, it is proposed to set up units in each member States of UDEAC to work on a diagnostic analysis of the food situation, identify constraints to food self-sufficiency and propose approaches to a common food strategy. These national efforts would eventually be harmonized by a coordinating group at the UDEAC secretariat to arrive at a coherent subregional strategy.

25. Another aspect that illustrates the increasing awareness in UDEAC of the need for sectoral subregional planning relates to the efforts that are being made to train agricultural planners. FAO is participating in a project to train personnel of UDEAC in the planning of agricultural development with particular emphasis on the rural sector, agricultural policies and general planning and plan follow-up. This is a desirable effort since, in many cases, the absence of qualified personnel at the subregional level is one of the major obstacles to the consolidation of sectoral planning in cooperation arrangements.

(d) Agricultural planning in the SADCC

26. The decentralised nature of SADCC operations implicitly means decentralised planning and programme coordination. As of now, there does not exist a well articulated subregional agricultural plan in the SADCC group of countries. Indeed, the SADCC approach to agricultural cooperation has hitherto concentrated on projects which are believed to fit within the general principles on which agricultural cooperation in this subregion is based. The framework of agricultural cooperation is also itself characterised by a disaggregation into subsectoral areas corresponding to the various agricultural coordinating units. As such programmes in each agricultural subsector tend to be analysed and implemented without a thorough establishment of interdependences of the agricultural subsectors.

27. This situation is, however, in the process of being rectified. SADCC has come to the realisation that as its programmes grow in size, variety and complexity, there is also a growing need for both a macro-framework and sector-specific plans. It is therefore being planned to undertake a review and subsequently an elaboration of five year sectoral plans. These sectoral plans would endeavour to establish maximum coordination and rationalisation between related sectors. Guidelines have now been drawn up to ensure that sectoral programmes are, inter alia, (a) mutually supportive with well specified relationships between SADCC objectives and programmes and those of the member States, (b) coordinated at the operational level, and (c) established within parameters that enable a measuring of progress towards the achievement of the objectives.

(e) Agricultural planning in the PTA

28. The Preferential Trade Area of the Eastern and Southern African States is one of the youngest subregional grouping in Africa. This, of course, can mean that its programmes and their implementation are still in their infant stage. It can however, also mean that as a new cooperation effort, it should manifest a greater dynamism and should, in many ways, have approaches which take into account the experiences of the older cooperation structures in the region. In many respects, these expectations are proven correct by the present level of operational activities in the PTA.

29. Firstly, most of the programmes that the PTA has embarked on in agriculture and industry are still at the level of "project ideas". Feasibility studies of great interest have been completed for projects like the fertilizer and the iron and steel industries in the subregion. Secondly, many of the sectoral programmes that exist would seem to be mainly a conceptual framework. Indeed the agricultural plan for the subregion, is presently entitled as "A conceptual framework for inter-country specialisation, cooperation and complementarity in subregional agricultural development". Nevertheless, it should be stressed that the PTA efforts undertaken so far constitute a very important basis for sectoral sub-regional cooperation. To a very large extent, the conceptualisation of the sectoral programmes in the PTA gives one of the best examples of how sectoral planning at the subregional level should be approached.

30. In the agricultural sector the subregional framework defines specific agricultural priorities and suggests operational subregional approaches to restructuring the agricultural sector. At the level of objectives and priorities, the subregional agricultural framework defines (a) the reinforcement of inter-country specialisation in the production of staple food crops, (b) the production of livestock and livestock products, (c) development of fisheries and forestry resources, (d) conservation and development of soil and water, (e) development of rationalised subregional agro-industries, and (f) manpower training and development.

31. For each of these priorities the agricultural framework defines subregional and country actions. For example, for food crops, the agricultural plan calls for specialisation in maize, sorghums, cassava and plantains for Eastern Africa while Southern Africa could specialise in pulses, maize and diversify into drought crops. However, to really have an implementable plan, there is need to identify the resources required, the sources of these resources, the phasing of the different subprogrammes of the plan and the specification of projects. It would therefore seem that the PTA still requires to complement its existing agricultural framework with these elements so as to establish an actual agricultural plan with a definable time-frame.

C. Major constraints to proper agricultural planning at the subregional level

32. The efforts that the various subregional organisations have undertaken to programme the implementation of common agricultural policies and projects illustrate the growing awareness of the need for planning and programming at the subregional level. However, the relatively limited success in promulgating subregional agricultural plans also points to the existence of certain basic impediments and

constraints that have hitherto hindered the consolidation of subregional planning especially in the agricultural sector. Some of these constraints result from the peculiarities of the sector concerned and others result from the nature of sub-regional grouping. In either case, it is of paramount importance to fully understand the nature of problems so as to identify ways and means to make future efforts in sectoral planning at the subregional level more fruitful.

(a) Constraints to sectoral planning resulting from the nature of the agricultural sector in Africa

33. In most of the African countries the agricultural sector is of great importance in terms of the sector's contribution to GDP, employment and foreign exchange earnings. The high weight of agricultural activities at the national level has usually meant that in many cases national programmes are greatly pivoted on agriculture and the rural sector. This trend tends to make the planning of agriculture particularly important for the national governments and, by consequent, less amenable to being planned at a subregional level. Most countries would prefer to have most of the policies that are aimed at agricultural development within their own control rather than get them to be dealt with subregionally. Thus, issues in agricultural research, food self-sufficiency, diversification and expansion of export crops are taken as elements of significant national strategic concern.

34. In addition to the broad concern of keeping agricultural development within the control of the concerned nation, the structure of African agriculture imposes specific constraints to the planning of the sector in a subregional framework. These structural problems include: (i) the preponderance of subsistence production in total agricultural output; (ii) climatic dependence; (iii) the export orientation of the monetised part of agricultural output; (iv) the low level of intra-African trade in agricultural products. The implications of these characteristics on subregional planning of the agriculture sector are briefly outlined below.

(i) The preponderance of subsistence production

35. In most of the African countries which belong to the different subregional cooperation arrangements, peasant subsistence production in agriculture accounts for a very large proportion of total agricultural output, sometimes to the tune of over 50 per cent of total value added in agriculture. The result of this is that a large part of agricultural activities is not easily amenable to centralized planning even at the national level. This problem is even more compounded at the subregional level where different communities of peasants would have to be taken into consideration when planning the overall agricultural sector involving many countries. On the one hand, the nature of output to be planned would become relatively difficult in large subregions involving countries with different resource endowment ecological characteristics and cultural differentiations. Also, due to lack of any standardised form of production, policies relating to technology, prices and incentive schemes become more complex at the subregional level.

(ii) Climatic dependence

36. The agricultural sector in many African countries and especially in the Sahelian zone is greatly dependent on the vagaries of nature. As such, the formulation of agricultural programmes and their successful implementation is made uncertain by the fact that weather conditions are unpredictable. The onslaught of the recent drought in many African countries is a clear example of this problem. It would therefore seem urgent for the effective planning of agricultural activities to ensure that nature is mastered in terms of its undesirable effects on agricultural production. If the future direction of the development of agricultural activities cannot be predictable with some degree of certainty it is impossible to envisage the utility of a long-term agricultural plan. To rectify this problem, it seems necessary for subregional structures to also address this issue through, inter alia, the elaboration of strategies that will reduce the dependence of agriculture on climatic variations. These can include water development for irrigation as well as the development of river basins.

(iii) The export orientation

37. Most African countries that produce agricultural export commodities have tended to "specialize" in a few commodities such as coffee, cotton, cocoa, groundnuts, etc. As a result, one often finds that the countries in the same subregion either produce entirely different export crops or they are in competition with each other for export markets. Efforts to rationalise such a situation at the subregional programme would, thus, be frustrated by contradiction between national interest (e.g. to increase exports of a particular commodity) and the overall regional interests.

(iv) The low level of intra-African trade in agricultural products

38. If any subregional efforts in agricultural development are to bear fruits, it is necessary that the particular subregion concerned has a certain minimum level of interlinkages among countries in the sector concerned. As it happens in most African countries, the agricultural sector has, among most other economic sector, the least interconnections across countries due to the polarisation of agricultural activities either within the national boundaries or towards the markets of the developed countries. This situation has two basic results. Firstly, the spectrum of activities that can be planned at a subregional level are greatly reduced as a result of the very low level of intra-African flow of agricultural commodities. Secondly, the effectiveness of mobilising the necessary resources to implement subregional programmes is also affected as individual countries may fail to see the direct benefits from such programmes.

(b) Constraints to subregional agricultural planning resulting from the nature of the subregional organisations

39. As noted earlier, the various subregional structures that were studied have all attempted to establish certain agricultural programmes for the common good of all the member countries. However, in this endeavour the organisations themselves

have confronted specific problems and have as a result not paid adequate attention to the establishment of harmonised regional plans at the sectoral level. Some of these problems include: (i) lack of explicit mandate for sectoral planning in the treaties; (ii) shortage of financial resources to implement any sectoral plan that might be formulated; (iii) lack of qualified personnel.

(i) The lack of an explicit mandate for sectoral planning

40. A survey of the various treaties establishing the different cooperation structures in Africa reveals that the aspect of regional planning in general and regional sectoral planning in particular are not given adequate importance in the protocols. Generally, it is implicitly assumed that the secretariats of the cooperation organisations would make the initiative to address the question of planning for the subregion as a whole. However this approach is grossly inadequate since in most cases it implicitly maintains the status quo for each country to make its independent sectoral plans without any specific obligation to harmonise such plans with the subregional perspectives. Even the sectoral institutional structures that are set up to ensure the coordination of programmes are often limited to either examining specific project proposals or general policy questions without the capacity of analysing these in an integrated sectoral framework. It is clear that until the individual countries feel a real obligation to make their programmes within a well articulated subregional perspective, the secretariat and the sectoral commissions cannot effectively conceive and implement subregional plans. Perhaps it should be pointed out that the absence of planning commissions in the various subregional structures is a result of the general lack of an explicit statement regarding planning in the treaties.

(ii) Shortage of financial resources

41. For any plan to be viable it must be based on an assessment of the resources available to finance it. In the case of subregional organisations, the mobilisation of adequate resources on which to base a comprehensive plan often presents a lot of difficulties. Firstly, international financial organizations do not easily lend money to subregional programmes as they require guarantees from individual countries. Indeed, even in cases where financial resources can be mobilised, it usually requires the presentation of individual projects. This tends to encourage the approach, on the part of subregional structures, of merely shopping for viable regional projects on the basis of which resources can be sought. Secondly, the resources that the member countries of a given cooperation arrangement contribute are rarely based on the creation of a fund. Often, countries are requested to finance subregional programmes on a project by project approach. This also hinders the establishment of concrete sectoral plans at a subregional level.

(iii) The shortage of qualified personnel

42. In many instances, it was found that the subregional organisations studied lacked the staff that are needed to formulate a well articulated subregional plan at the sectoral level. The problem, however, is not that Africa lacks the people qualified in subregional planning. The problem would actually seem to be that the different subregional structures have not set up sectoral planning offices. As such, these organisations do not recruit the needed personnel to undertake the task. If sectoral planning units had been set up during the early stages of the different subregional organizations, it is likely that, by now, planning for the various subregions would have been consolidated.

D. Towards a new planning base at the subregional level:
the case of agricultural planning

43. The state of subregional planning has been assessed to be generally poor in most of the subregional organizations studied. It is however clear that while there still exist some real constraints to full subregional planning, efforts must continue to be made to bring about a more rational development in the context of subregional cooperation. One of the prerequisites of such rationalisation is, no doubt, the establishment of effective planning machineries at the level of the subregion so that programmes and projects are situated and implemented in a coordinated manner to ensure maximum benefits to the countries and the subregion.

44. In the area of agriculture, it seems vitally important to identify those areas that are amenable to subregional coordination and planning. After these areas are identified, the subregions should draw up a plan setting viable objectives in the different areas and proposing ways to develop these areas at a subregional level. An analysis of the various programmes that have been initiated in the sample of subregional organisations studied shows that the areas in which subregional agricultural planning can be effectively undertaken include:

- (i) food self-sufficiency
- (ii) agricultural research
- (iii) agricultural cooperatives and credit
- (iv) agricultural policies of prices, incentive schemes, technology
- (v) drought and desertification control, water and soil conservation
- (vi) trade in agricultural commodities
- (vii) forestry development
- (viii) livestock and fisheries

45. But, it must be reiterated that the subregional organizations must be given adequate mandate to formulate plans that will be adopted and implemented by the participating countries. For this, it will be necessary to reinforce the different sectoral protocols with specific articles dealing with planning. The institutional framework will also have to be strengthened such that the different subregional organizations have a strong core of planners appropriately linked to the national planning structures.

III. INDUSTRIAL PLANNING IN AFRICAN SUBREGIONAL CO-OPERATION STRUCTURES

A. Introduction

46. African leaders recognize the fact that industrialization constitutes a basic option in the overall effort to lead Africa out of underdevelopment. The integrated economic and social development of the continent, as advocated in the Lagos Plan of Action, requires the establishment in every African country of industry which is designed in the interests of that country and will grow stronger within the context of complementarity of action at the subregional and regional levels. Such industrialization should contribute, inter alia, to:

- (i) The satisfaction of the population's basic needs,
- (ii) The exploitation of local natural resources,
- (iii) Job creation,
- (iv) The formation of a basis for the development of other economic sectors,
- (v) The creation of a framework for assimilating and promoting technological progress,
- (vi) The modernization of society.

47. It is also recognized that by harmonizing development activities and making optimum use of the limited resources of the various African countries, industrial co-operation is creating conditions conducive to the attainment of collective self-reliance at regional and subregional level while at the same time providing a framework for strengthening the efforts of each country.

48. Quantitative and qualitative objectives have also been defined in the LPA for industrial integration at the subregional and regional levels. According to the LPA, African countries should account for a minimum of 1.4 per cent of world industrial output by the year 1990. They should do everything in their power to achieve self-sufficiency in food, building materials, clothing and energy. The Industrial Development Decade for Africa proclaimed by the United Nations General Assembly is considered as yet another way of focusing greater attention on, and eliciting a greater political commitment and financial and technical assistance at national, subregional, regional and international levels for the industrialization of Africa. In response to it, preparations have begun in the various subregions of Africa for a Decade programme in which crucial needs have been identified both at national and subregional levels.

B. Specific industrial development objectives of the subregional co-operation structures

49. African subregional co-operation structures such as ECOWAS, CEAO, SADC, PTA and UDEAC have adopted in the field of industry objectives identical to those of the Lagos Plan of Action and the Industrial Development Decade to Africa which they are striving to achieve in their respective geographical zones:

(a) ECOWAS

50. In order to achieve industrial development and harmonization among the member States, Chapters V and VI of the Treaty establishing ECOWAS provides for three stages of: (i) mutual exchange of the feasibility studies conducted, of reports on industrial projects and foreign business groups operating in the subregion, of information on industrial research, and of experts and experience acquired in the field of industry, conducted of joint studies to identify viable industrial projects for implementation, joint financing of research into technology transfer and the development of new products through the use of raw materials common to all or some of the member States; (ii) harmonization of industrial development promotion measures and development plans; (iii) exchange of personnel, training, preparation and implementation of joint projects as well as the taking of remedial action to correct disparities in levels of industrial development resulting from the implementation of the Treaty.

(b) CEAO

51. CEAO has developed a transitional programme for industrial co-operation based on the following concerns:

- (i) The need and urgency of instituting a genuine industrial programme in order to bridge the development gap between member States and to enable intra-community trade to take place;
- (ii) The need to harmonize activities in certain sectors while promoting complementarity among States, to plan for industrial linkages among existing plants or to promote specialization among them and to accord priority to the least industrialized of the States.

(c) UDEAC

52. UDEAC has defined a subregional industrial development strategy which aims essentially at:

- (i) Promoting industrial development as well as specialization, diversification and expansion of production;

- (ii) Ensuring optimum exploitation of natural resources;
- (iii) Raising productivity and making effective use of the factors of production;
- (iv) Benefitting from the advantages of economies of scale;
- (v) Ensuring equitable distribution of the benefits and balanced development of the subregion.

53. In addition, three objectives have been set for industrial co-operation in the subregion: the harmonization of industrialization policies, the equitable distribution of community industrial projects among the countries and the co-ordination of sectoral industrial development programmes.

(d) SADCC

54. The objectives set for the subregional industrial development programme of SADCC focus on: (i) the identification of national production surpluses that could be traded in the subregion under existing or future trade agreements; (ii) the exchange of information on national industrial development plans and projects to help member countries avoid duplication of effort and to promote subregional trade; and (iii) to make an inventory of the potential and possibilities for the establishment of multinational industries.

55. And yet, faced with a host of constraints, these organizations have not yet been able to translate the general guidelines adopted into quantified objectives within the framework of general or sectoral medium- and long-term subregional plans. The fact is that there is no subregional sectoral planning in industry, any more than there is any genuine national economic planning in the subregions. The subregional co-operation structures, like the national planning agencies, have established, with the help inter alia of international organizations, industrial co-operation programmes made up of more or less properly formulated projects which they have not the means to implement. These structures are smothered by constraints as numerous as they are over-whelming within each of the countries and in the subregion at large.

C. Overview of the status of industrial development and the main constraints

1. The status of industrial development

56. In the subregions considered, the situation of the industrial sector is largely influenced by what is happening on the agricultural front because of the economic and social importance of agriculture. The existing industries are either light agro-based industries geared to national consumption or outward-looking extractive industries dominated by transnational corporations. The former are the result of the application by all African countries immediately after independence of import substitution strategies, without any co-ordination at the subregional level. Because they produce for limited local markets, many of them are operating below capacity. The latter group, whose contribution to export earnings is crucial, are handicapped by the unforeseeable changes on the world commodity market. On the whole, industry depends on imported capital, equipment, intermediate goods and raw materials. It counts for little in the economy. In 1980, for example, the share in GDP of manufacturing industries for 20 East and Southern African countries ranged from 2.6 to 10 per cent for 11 countries, from 10 to 20 per cent for seven countries and was higher than 20 per cent in only two countries. Out of 16 countries in West Africa, the share of industry in GDP for the same period fell below 10 per cent in two countries, and ranged from 10 to 20 per cent in five countries and from 20 to 32.5 per cent in eight countries. The gap between industrial development levels among the countries is sometimes enormous in the subregions considered, and the number of countries which have taken an important step towards industrialization is very limited.

2. The main constraints

(a) At the national level

57. Other constraints weigh on industry in the subregions:

- (i) Lack of the raw materials indispensable for national industries;
- (ii) No local manufacture of intermediate goods that come between the extractive industries and the manufacturing sector. For this reason, the bulk of the ores mined in these subregions is exported to the industrialized countries;

- (iii) Persistent balance-of-payments deficits, with the result that the external debt increases significantly and monetary reserves diminish;
- (iv) Lack of personnel that can follow through the stages of the project cycle, in particular planning, implementation and evaluation, negotiate the acquisition of technology and of the necessary funds, or organize the maintenance and after-sales-service of products;
- (v) Lack of local financial resources, insufficient foreign loans, absence and/or inadequacy of national institutions to finance industrial development;
- (vi) Lack of infrastructures, particularly in the areas of energy and transport;
- (vii) Insufficient access to technology and uncompetitive semi-finished and finished products on international markets;
- (viii) Lack of national and subregional institutions capable of formulating appropriate policies, plans, programmes and projects;
- (ix) Lack of workable measures to support the political will to pool resources and set up basic industries at national and subregional levels.

53. To these specific constraints are added the well-known problems relating to the countries' general level of economic development; low living standards with the concomitantly low level of consumption lack of domestic savings and high population pressure on available resources.

(b) At the subregional level

59. The establishment of a subregional industry raises, among other things, the problems of: (i) defining the framework, areas, phases and modalities of subregional co-operation; (ii) defining industrial development policies and strategies; (iii) determining priority industrial branches and criteria for the selection of subregional projects; (iv) selecting technology, location and the distribution of costs and benefits; (v) mobilizing financial resources and (vi) guaranteeing the loans contracted. These problems are all the more complex in that the inequalities in natural resource endowments, general economic and industrial development levels, diversity in political systems, currencies, external relations, population and political weight make for divergent and at times irreconcilable short-term interests.

D. Need for industrial planning and action taken to achieve it1. Need for industrial planning

60. The numerous constraints at both national and subregional level show that it is unrealistic and absolutely utopian to believe that speedy and sustained industrial development will take place in the subregions without sectoral planning. The need for industrial planning in the subregions arises also from the importance of the objectives set for this subsector in the LPA and the crucial structural changes that industrialization alone can bring about. Furthermore, the extensive economic and financial requirements for such industrialization and the need for inter-sectoral links should lead to the institution of extensive industrial planning, without which the elements of industrial development (such as equipment for the subregion, general education, technical training and others) cannot be integrated. Because the demand for industrial products and the capital and foreign exchange available depend on general economic growth, subregional industrial planning should be designed as part of the overall analysis of the economy and integrated into general subregional planning.

2. Action taken and results achieved

61. To implement industrial co-operation with a view to establishing subregional industries, several approaches can be used:

- (i) A general approach involving a subregional industrial development programme with balanced priorities, and co-ordination of national plans adjusted to the subregional framework;
- (ii) Sectoral or piecemeal approach involving a series of bilateral or multilateral projects within the framework of subregional objectives and criteria (specialization agreements, technological agreements, joint operations or contractual co-operation, etc.);
- (iii) Harmonization of policies for the co-ordinated establishment of conditions, regulations and incentives likely to induce action in the required direction.

62. Each of these approaches can be considered as a more or less crucial phase in the sectoral planning of industrial development.

63. The various structures for subregional co-operation in west, central, eastern and southern Africa have, very imperfectly, applied one or other of these approaches. Examples are given in the following paragraphs:

(a) ECOWAS

64. In implementation of its Treaty provisions, ECOWAS set out first of all to define a framework for industrial development and co-operation for the establishment of subregional projects. Accordingly, in terms of industrial co-operation policy ECOWAS decided to accord priority to industries capable of contributing to the modernization and development, within an integrated framework, of the following sectors: (i) agriculture, (ii) transport and communications infrastructure; (iii) natural resources, and (iv) energy. The scheme aims at establishing a subregional industrial base by promoting intermediate goods and capital goods industries through specialization on the part of States or groups of States.

65. The efforts made by ECOWAS have led to the definition of a subregional industrial development strategy, the definition of project selection criteria likely to contribute to the achievement of the objectives of the strategy adopted, and the preparation of an initial integrated industrial promotion programme comprising 35 core projects and 17 supporting projects. Among the strategic projects can be counted:

- (i) In the metals industry: projects for the installation of electric furnaces in Ghana, Côte d'Ivoire, Mali, Senegal, Togo and Burkina Faso; the installation of rerolling mills in Benin, Ghana, Côte d'Ivoire, Mali Senegal, Niger, Togo and Burkina Faso; the manufacture of four-wheel tractor parts in Senegal and Nigeria; the manufacture of railway wagons in Senegal and Burkina Faso, the manufacture of standard low-cost multi-purpose vehicles in Guinea and Côte d'Ivoire and the manufacture of aluminium cables and conductors in Guinea and Ghana,
- (ii) In the chemical industry: projects for the establishment of a subregional ammonia plant using natural gas and water electrolysis in Togo and of a pharmaceutical products factory in Nigeria,
- (iii) In agro-industry: integrated poultry production complex in Liberia,
- (iv) Multinational support projects for assistance to an industrial training programme, assistance in the development and strengthening of management and consultancy service capabilities in industry, the institution of an industrial and technological trade fair in the subregion.

66. These are national projects requiring multilateral co-operation or subregional projects submitted by States in the subregion to UNIDO and ECA within the context of the Industrial Development Decade. However, these projects are still at the initial stage of preparation. Their real importance is not yet known since their costs have in most cases not been evaluated. What is more, they are not set against a background of global or sectoral economic projections at subregional level. At the same time, stress is being placed on the intensification of trade, the harmonization of customs regulations and the free movement of people.

67. Existing facilities for the promotion and planning of industrial development in the ECOWAS subregion: Neither ECOWAS itself nor the countries in fact possess the financial resources required for carrying out these projects. ECOWAS has nothing more than its operating budget (5.9 million SDRs in 1985) derived from member State contributions which do not arrive on time and the fund for co-operation, compensation and development, a subregional banking institution over which the ECOWAS secretariat has no jurisdiction. The share of the budget devoted to sectoral studies is currently insignificant. As to the fund for co-operation, compensation and development of ECOWAS, it is not currently engaged in any subregional industrial project. Neither has ECOWAS any planning or programming institutions. Under the circumstances, the industrial development programme adopted risks remaining a dead letter, and the future of industrial planning being a dead end, for lack of financial and political support.

68. The ECOWAS approach provides for harmonization of national development plans in a second phase that has yet to start. It has the advantage of being flexible and the disadvantage of initially favouring the more industrialized States of the subregion without any matching benefits, for the time being, for the less industrialized States. The situation is fraught with serious risks of stalemate to the extent that the less industrialized countries are in the majority and are all aspiring to speedy industrial development.

(b) CEAO

69. CEAO has conducted a survey in its member States of projects and add-on activities which relate to small- and medium-scale enterprises and can constitute an interim co-operation programme. The projects and activities agreed on in the member States derive from national development plans. There are about 50 such projects broken down as follows among the member States: Burkina Faso (five), Côte d'Ivoire (seven), Mali (11), Mauritania (five), Niger (16), Senegal (six). They include feasibility studies, industrial investment and technical assistance projects in such priority sectors as: agro-industries and infant food factory (Côte d'Ivoire), cattle feed production (Burkina Faso), sugar complex (Mali), dairy farm (Mauritania), construction materials and mining: cement works construction (Mali), sanitary ceramics factory (Côte d'Ivoire), nitrogenous fertilizer production (Mali), salt refinery (Côte d'Ivoire), mini-steelworks (Mali), technical training in industry (chemical, steelworks and energy): training of small- and medium- scale enterprise personnel (Côte d'Ivoire). The selection criteria used were the nature of the project, the mode of financing requested by the States and the financing capacity of the community development fund.

70. All these projects fall far short of helping member States of CEAO to overcome the economic constraints weighing on industrialization in the subregion. The national plans from which the selected projects derive were not subjected to prior basic studies with a view to co-ordination and harmonization of the priority sectors at subregional level. The programme contains projects in areas where local capabilities in industrial production are under-utilized or where local industries over-produce while in other areas, substantial needs go unsatisfied at the subregional level (infant food, cattle feed, fertilizer production, building materials and others). The scope of the projects is limited and falls well short of the needs in question. In the matter of exploiting natural resources for which a substantial potential exists (phosphates, iron and limestone for example) the programme contains no projects that can match the needs of the subregion.

71 Facilities within CEAO for promoting and planning industrial development: The organization has a fund for community development and a solidarity fund that assists in community development. The former, which amounted to CFAF 10.5 million in 1985, derives from customs duties. Its resources are channelled to the development of the relatively less-developed member States. To date, the resources of the fund have been used to finance small national projects that were not co-ordinated or planned subregionally. The latter is a sub-regional banking institution set up to guarantee loans contracted by the States to finance their development programmes. It also contributes to the funding of subregional projects such as the subregional centre for solar energy (CRES) the subregional wagon factory, the African centre for management studies (CESAG), the subregional school of mining and geology, the graduate school of the textile industries and the graduate institute of fisheries, science and technology. While these projects are supposed to help set up a subregional industry, they are not integrated into a planned subregional economic framework. The training projects which constitute the majority do not produce staff specifically meant for existing or proposed subregional industries, and moreover, there are already unemployed or under-employed national staff in the same disciplines within the countries. Here, the lack of planning and subregional co-ordination in industry leads to the waste and irrational use of financial resources.

(c) UDEAC

72. Industrial co-operation in the UDEAC subregion has gone through three phases. During the first phase, co-operation was based on the application of two major criteria, mainly the availability of natural resources and the existence of a subregional market. However, this first attempt at creating community industry was not successful.

73. The second phase of industrial co-operation covered the period 1974 to 1984 and followed the second revision of the UDEAC Treaty. Emphasis was then laid on a new industrialization strategy and policy based on the economic

complementarity of the member States. The objective was to achieve a balanced development of the subregion, particularly as between coastal States and landlocked countries. Six projects were accordingly selected and judiciously distributed among the countries as follows: a bauxite-aluminium plant in Cameroon, a chemical complex in Congo, a petrochemical complex in Gabon, and a pharmaceuticals plant and a watch-making factory in the Central African Republic. This new policy failed because none of these projects ever materialized.

74. In these two phases, the subregional projects could not be implemented either because of lack of political support by the Governments (some States withdrew their participation just as the projects were becoming operational) or because of the investment burden and the prevailing unfavourable international climate. But political considerations were the main cause of the failures recorded from 1974 to 1984 by UDEAC, which has now decided to accord priority to industrial projects which will promote the development of agriculture. Thus, the original concept of industrialization was discarded as being too unrealistic. The only project under way is a study on the establishment of subregional phosphate fertilizer industry. UDEAC is also considering the establishment of a subregional bank whose objectives will include the promotion of industrial development.

(d) PTA

75. The Preferential Trade Area which came into being more recently than CEAO, ECOWAS and UDEAC is attempting to conduct two subregional industrial projects which have reached the feasibility study stage: they relate to subregional industries for the production of fertilizer, iron and steel. It is too early to pass any judgement on this latest experiment which, like those described above, is not backed by any planning framework.

E. Conclusion on sectoral planning in the field of industry

76. The subregional co-operation institutions in Africa have not made any decisive progress in the sectoral planning of industry. The constraints on industrial development are well known, the objectives have been set, and the strategies defined and the programmes established in order to attain them. But the programmes drawn up generally take the form of a collection of projects which are not integrated within an economic planning framework. At the subregional level, there are no specific institutional support facilities to promote the sectoral planning of industry, and the subregional finance institutions are not geared to the requirements of the sectoral planning of industrial development. Owing to the lack of co-ordination and harmonization of national development plans, the meagre resources of these institutions are wasted on subregional projects which overlap with national projects, or are used outside the established subregional programmes. The subregional co-operation institutions often have no say in what these finance institutions do. Added to the lack of financial and institutional

resources is the absence of real political support, with the result that certain established programmes have never been able to take off. Yet, without political will backed by operational measures, it is obvious that no real progress can be made in the application of subregional sectoral planning as an instrument for organizing and strengthening co-operation in the field of industry.

IV. GENERAL CONCLUSION OF THE STUDY

77. Some progress has been made in respect of co-operation during the last decade, but this progress has been very slow and has to date not led to true subregional development. The goals of co-operation enunciated at the outset have essentially been directed towards the promotion and intensification of subregional trade to the detriment of development efforts. Planning, as an instrument of co-ordination and harmonization, has not received any special attention. It is noteworthy that the term «planning» did not appear in any of the statutes establishing these subregional organizations, as the founder member preferred to speak of «co-operation», a less precise and less binding term. Consequently, planning departments were not created from the beginning, and even today no such structure appears in the organizations' organizational charts. In fact, it was only recently that the need for subregional planning was felt due to the persistence of the development crisis, the solution of which requires concerted efforts and innovative approach to the problems. Nevertheless, the political considerations relating to the establishment of a planning structure at the community level remain a definite obstacle. Nor is the existence of different national plans with differing durations and objectives a factor conducive to the formulation of a subregional plan.

78. The majority of these organizations have attempted to execute projects in different sectors of economic activity between which no co-ordination exists. Another problem relates to the large number and the diversity of organizations dealing with the same type of activities in the same subregion without co-ordinating their programmes. This is the situation for example in West Africa, where there are more than 30 organizations, and also in East and Southern Africa.

79. Finally, there is the particularly acute problem of financing subregional programmes. These organizations' own resources are inadequate and are not used effectively for the implementation of subregional development projects. As for the subregional banks and external sources of financing, their contributions are limited and have not always been attuned to the needs of the subregions.

V. RECOMMENDATIONS

A. General recommendations

80. The subregional co-operation organizations should as a matter of urgency strengthen their institutional structures by creating within their establishments statistical and planning departments equipped to produce general and sectoral plans at the subregional level. If necessary, their treaties should be revised to permit this.

81. International organizations and bilateral and multilateral aid institutions should increase their assistance in order to facilitate the establishment and the efficient operation of these statistical and planning departments at the subregional level. OAU and ECA, through the MULPOCs, should promote the creation and smooth running of these departments, pending the establishment of subregional planning institutions, the MULPOCs should assume responsibility for the co-ordination of national plans and the formulation of subregional plans. Their resources should be increased accordingly.

82. The following should be included among the principal tasks to be entrusted to the subregional planning organizations:

(a) Co-ordination of national development plans and programmes of the different intergovernmental organizations in the same subregion;

(b) Preparation of a general plan together with sectoral plans.

83. Within each subregion, existing departments responsible for the development of agriculture and industry need to be strengthened, notably by enhancing their project identification, formulation and evaluation capacity. Where such departments do not exist they should be established without delay.

84. The subregional finance institutions created by co-operation organizations need to be strengthened by increasing their financial resources through substantial contributions by the member countries and negotiating for external loans. However, these institutions should give the highest priority to the financing of subregional development plans.

85. The objective of increasing and ensuring a more rational use of financial resources may be attained in the case of West Africa by regrouping the existing intergovernmental organizations coupled with greater centralization of resources under ECOWAS or CEAO.

86. The monitoring, supervision and evaluation of subregional activities are of capital importance; for the satisfactory performance of these assignments, the subregional co-operation organizations require the effective support of their member States.

B. Recommendations on agricultural planning

87. Subregional planning should be based on clearly defined agricultural strategies and policies, and should set food self-sufficiency and security as their objective. The harmonization of pricing policies, the establishment of an appropriate agricultural credit system as well as an increase in the real income of the rural population should be treated as key elements in the strategies and policies to be applied in the context of this planning.

88. The attainment of the objective of food self-sufficiency and security necessitates urgent planning measures in the following priority areas:

- (i) Agricultural production: In the short- and medium-term, this essentially entails creating conditions conducive to the formulation of a subregional agricultural plan (agrarian and land tenure reform for instance);
- (ii) Production of agricultural equipment, materials and inputs in line with the production objectives: The planning of producer's goods for agriculture should be carried out at the bilateral or multilateral level whenever favourable conditions are met (market, availability of raw materials);
- (iii) Water resources development: This should focus especially on the joint exploitation of water resources in order to ensure the security of agricultural production through irrigation;
- (iv) Distribution of production equipment and agricultural inputs within a given subregion: Food crop distribution in particular should be based on the building-up of subregional stocks and the necessary development of transport infrastructures; and
- (v) Agronomic research and the training of farmers and senior agricultural staff.

C. Recommendations on industrial planning

89. In the field of industry, subregional planning should be based on the objectives of the United Nations Industrial Development Decade which is aimed at raising and improving the contribution of the industrial sector to the general economic development of the subregions.

90. Since the relevant programmes have been prepared and the projects selected on the basis of subregional criteria, emphasis should henceforth be placed on:

- (i) Programming and planning of those projects whose economic and social impact at the national and subregional level needs to be evaluated beforehand; and

- (ii) Effective commitment to and support of all countries for the programmes formulated.

91. One of the most significant aspects of the programming and planning of the subregional projects selected within the framework of the Decade is the harmonization and co-ordination of national industrial development plans. The subregional co-operation institutions should tackle this problem with all the attention it deserves and seek all necessary assistance in order to do so.

92. There is need for firmer political commitment on the part of States and a greater degree of effective solidarity at the subregional level to enhance the harmonization and co-ordination of the national industrial development plans.

93. This harmonization should first and foremost be geared to the reinforcement and rehabilitation of existing industrial units, through more intensive integration and forging specific industrial linkages at the subregional level. The expansion of markets, the supply of raw materials, the production of spare parts and the exchange of skilled personnel constitute the most important problems to be settled in this respect.

94. The installation of new industrial projects should receive particular attention so as to avoid duplication which would result in under-utilization of industrial capacity and meaningless competition.

95. These measures will require a readjustment of national industrial development plans and their adaptation to subregional needs.

96. In addition, the finance institutions within the subregional co-operation structures and the other national and international finance institutions need to be closely associated in the process of industrial development planning. This will forestall the financing of non-viable national projects which may subsequently become a burden on the national economy and an obstacle to subregional economic integration.